

Delaware Weighs In To Case On Independence of Federal Consumer Protection Agency

Attorney General Matt Denn joined 16 other attorneys general in filing a motion Monday to intervene in a federal appeals case, with the goal of ensuring that the federal Consumer Financial Protection Bureau (CFPB) remains independent and able to aggressively defend the interests of American consumers free from political pressure from the White House.

The case – PHH Corporation, et al. v. Consumer Financial Protection Bureau – is currently before the United States Court of Appeals for the District of Columbia Circuit. In an October 2016 ruling, a divided court found the structure of the CFPB unconstitutional, and ordered that the law be interpreted so that the director of the CFPB could be terminated by the President at will, rather than only for cause. The CFPB filed a petition for rehearing of the decision, and that petition is currently pending before the court. To this point, the federal government had vigorously defended the CFPB in the appeal.

In today's motion to intervene in the litigation, the attorneys general argue that they have a vital interest in defending an independent and effective CFPB. They have used their authority to bring civil actions in coordination with the CFPB to protect consumers against unfair, deceptive and abusive financial practices. They argue that the court's ruling, if permitted to stand, would undermine the power of state attorneys general to effectively protect consumers against abuses in the consumer finance industry, and significantly lessen the ability of the CFPB to withstand political pressure and act effectively and independently of the president.

“The CFPB must maintain its independence in order to fulfill its role as a watchdog over the financial industry,” Attorney General Denn said. “To make the head of the CFPB subject to removal by the president at will would be to effectively undo the protections put in place for consumers after the market crash that led to the Great Recession. The federal government should continue to defend the CFPB’s structure in court, and the court should maintain the CFPB’s ability to pursue bad actors on Wall Street without political pressure.”

Congress created the CFPB in 2010. The CFPB’s purpose is to provide a single point of accountability for enforcing federal consumer financial laws and protecting consumers in the financial marketplace. During its 2016 fiscal year, the CFPB’s supervisory actions resulted in financial institutions providing more than \$58 million in redress to over 516,000 consumers, according to its report to Congress. The CFPB receives thousands of consumer complaints every week from consumers across the country.

In addition to Delaware, the motion includes Connecticut, Hawaii, Illinois, Iowa, Maine, Maryland, Massachusetts, Mississippi, New Mexico, New York, North Carolina, Oregon, Rhode Island, Vermont, Washington and the District of Columbia.

The motion can be found [here](#).